

Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 EB-11 CIAE-00 INR-11 NSAE-00 RSC-01

DRC-01 OPIC-12 TRSE-00 /062 W
----- 041663

R 271426Z SEP 74

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC 2054

USDOC WASHDC

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E.O. 11652: N/A

TAGS: EMAE, HU

SUBJ: HUNGARIAN TRACTOR PURCHASES

REF: STATE 203551, BUDAPEST 2412

1. EMBASSY ECONOFF HAS DISCUSSED STATUS OF STEIGER TRACTOR
AR
UNGEMENT WITH RABA-GYOR'S BUDAPEST REPRESENTATIVE,
GENERAL DIRECTOR OF AGROTROSZT. ACCORDING TO RABA REPRE-
SENTATIVE, SIGNING AGREEMENT BETWEEN STEIGER AND RABA
DELAYED AS RESULT OF PURCHASES OF LARGE INTEREST IN STEIGER
BY INTERNATIONAL HARVESTER. NEW STEIGER BOARD OF DIRECTORS
SUBSEQUENTLY RECONSIDERED PROPOSALS ALREADY MADE AND
ACCEPTED BY RABA AND PROPOSED ALTERNATIVE ARRANGEMENTS
WHICH RABA FOUND UNACCEPTABLE. HOWEVER, DISCUSSIONS
BETWEEN TWO PARTIES ARE STILL BEING ACTIVELY PURSUED AND
RABA REPRESENTATIVE THOUGHT IT EXTREMELY LIKELY THAT
AGREEMENT WOULD BE CONCLUDED IN NEAR FUTURE. HE PREDICTED
THAT WHEN AGREEMENT SIGNED, STEIGER TRACTORS COULD BE
ROLLING FROM GYOR'S ASSEMBLY LINES WITHIN 3-4 MONTHS'
TIME. GENERAL DIRECTOR OF AGROTROSZT, WHICH IMPORTER OF
ALL HUNGARIAN AGRICULTURAL MACHINES, EQUALLY OPTIMISTIC
SAYING HE WAS VIRTUALLY CERTAIN STEIGER TRACTORS WOULD
BE PRODUCED IN HUNGARY BY NEXT SPRING.

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2. MOST INTERESTING VARIATIONS OF REASONS FOR DELAYS IN

CONCLUSION OF STEIGER-RABA AGREEMENT WERE PROVIDED BY EASTERN EUROPEAN REPRESENTATIVE OF HON DEERE. ACCORDING TO JOHN DEERE REPRESENTATIVE, DELAY RESULTED FROM SOVIET OBJECTIONS TO PROPOSED AGREEMENT, AND CORRESPONDING PROMISES THAT SOVIETS WOULD SUPPLY HUNGARIANS WITH ALL HIGH HORSEPOWER TRACTORS IT NEEDED. HOWEVER, WHEN SOVIETS PRESSED TO MAKE SPECIFIC COMMITMENTS FOR FUTURE DELIVERIES, THEY BACKED OFF AND NEGOTIATIONS WITH STEIGER RESUMED.

3. ON OTHER SUBJECT, DEERE REPRESENTATIVE STATED FURTHER THAT AGRICULTURE MINISTER DIMENY WOULD LEAVE OFFICE IN VERY NEAR FUTURE AND THAT HIS MOST LIKELY REPLACEMENT WOULD BE FIRST PARTY SECRETARY OF SZOLNOK COUNTY (ISTVAN CSAKI). DEERE REPORTED THAT ITS CONTACTS IN LOCAL AGRICULTURAL COMMUNITY WERE APPREHENSIVE THAT THERE BE MAJOR TIGHTENING UP IN AGRICULTURAL COMMUNITY FOLLOWING DEPARTURE OF DIMENY.UDD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FARM EQUIPMENT, GOVERNMENT PROCUREMENT, TRACTORS, NEGOTIATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 SEP 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: izenbei0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974BUDAPE02735
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740273-0451
From: BUDAPEST
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t1974099/aaaaahdh.tel
Line Count: 78
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: STATE 203551, BUDAPEST 2412
Review Action: RELEASED, APPROVED
Review Authority: izenbei0
Review Comment: n/a
Review Content Flags:
Review Date: 20 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 MAY 2002 by elyme>; APPROVED <06 MAR 2003 by izenbei0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: HUNGARIAN TRACTOR PURCHASES
TAGS: EMAE, HU, US
To: STATE COM
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005